

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy Department - Sanction of Rs.7,47,55,012/- (i.e., Rs.7,00,00,000/- towards principal and Rs.47,55,012/- towards interest) to AP Power Finance Corporation Ltd., on A.P. Power Bonds Series 1/2004 on put Option under option 'B' due on 16.01.2012 – Administrative orders - Issued.

ENERGY (POWER.III) DEPARTMENT

G.O.Rt.No.3,

Dated 05.01.2012.

Read the following:-

1. Govt.Lr.No.230/Pr.III(2)/2011-8, Energy (Pr.III) Department, dated.22.03.2011.
2. G.O.Rt.No. 84, Energy (Power.III) Department, dated.21.04.2011.
3. G.O.Rt.No.159, Energy (Power.III) Department, dated.25.11.2010.
4. G.O.Rt.No.88, Energy (Power.III) Department, dated.05.05.2011.
5. G.O.Rt.No.131, Energy (Power.III) Department, dated.19.08.2011.
6. From the Managing Director, APPFCL, Lr.No.APPFCL/Power Bonds (V/2001)/ D.No.266/2011, dated.28.09.2011.
7. G.O.Rt.No.3805, Finance (DCM-I) Department, dated.17.10.2011.
8. G.O.Rt.No.166, Energy (Power.III) Department, dated.24.10.2011.
9. From the Managing Director, APPFCL, Lr.No.APPFCL/Power Bonds (V/2001)/ D.No.329/2011, dated.8.11.2011.
10. G.O.Rt.No.4127, Finance (DCM-I) Department, dated.21.11.2011.
11. G.O.Rt.No.187, Energy (Power.III) Department, dated.07.12.2011.
12. From the Managing Director, APPFCL, Lr.No.APPFCL/Power Bonds (1/2004)/ D.No.362/2011, dated.23.11.2011.
13. G.O.Rt.No.4482, Finance (DCM-I) Department, dated.27.12.2011.

ORDER:-

The Managing Director, A.P. Power Finance Corporation Ltd., Hyderabad in his letter 6th read above, has stated that Government of AP has decided to exercise call option for repayment of AP Power Bonds to an extent of Rs.307.41 crores and the redemption of Bonds for Rs.246.70 on their maturity, total repayment of Bonds for Rs.554.51 crores for the FY 2011-12. The repayment by exercising call option was deferred in respect of power bonds(Series 1/2004 under option 'B') which were having Put/Call option in the same year as the interest rate on these bonds is very less i.e. 7.70% than interest rate prevailing in the market.

2. The Managing Director, A.P. Power Finance Corporation Ltd, Hyderabad has further stated that as per the terms and conditions contained in information Memorandum, the bond holders of 1/2004 will have the right to "PUT" the bonds i.e., get them redeemed at par at end of the "Put" option date from the date of allotment by forwarding request at least 60 days, but not earlier than 120 days prior to the due date (Put date).

3. The Managing Director, A.P. Power Finance Corporation Ltd, Hyderabad has also stated that request notices for "Put" option for Rs. 7.00 Crores are received by M/s Karvy Computershare(Registrar) for the "Put" option due on 16.01.2012. The Final interest payable on Rs.7.00 Crores is worked out for Rs.47,55,012/- (for 322 days from 01.03.2011 to 16.01.2012) and the M.D., APPFCL has requested the Govt. of A.P. to arrange the funds of Rs.7,47,55,012/- (Rs.7.00 Crores towards principal and Rs.47,55,012/- towards final interest) before 10 days(06.01.2012) to the due date(16.01.2012) to APPFCL for onward transfer to No-lien Account at SBH, Gunfoundry, Hyderabad for payment on due date and also to arrange eight original copies of Govt. Orders.

4. The Finance (DCM-I) Department has issued BRO for Rs.747.56 lakhs vide G.O.Rt.No.4482, Finance (DCM-I) Department, dated.27.12.2011.

5. In terms of the orders issued in the G.O. 13th read above, Government hereby accord administrative sanction for an amount of Rs.7,47,55,012/- (i.e., Rs.7,00,00,000/- towards principal and Rs.47,55,012/- towards interest) to AP Power Finance Corporation Ltd., for redemption of A.P. Power Bonds Series I/2004 under Option 'B' due on 16.01.2012 i.e., due date as noted below:-

(PTO)

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Sl. No	Date of Allotment	Date of Put Option	Amount in Crores	Remarks
1	17.01.2005	16.01.2012	Rs.80,90,00,000/-	Notice shall be before 16 th Nov,2011
2	12.02.2005	11.02.2012	Rs.129,10,00,000/-	Notice shall be before 11 th Dec,2011
3	22.02.2005	21.02.2012	Rs.7,00,00,000/-	Notice shall be before 21 st Dec,2011
4	19.03.2005	18.03.2012	Rs.50,30,00,000/-	Notice shall be before 18 th Jan,2012
		Total	Rs.267,30,00,000/-	

6. The expenditure sanctioned in para (5) above, shall be debited to the following heads of accounts (a) "2049. Interest payments - 01. Interest on Internal Debt - MH.200 Interest on other Internal Debts - SH(25) Interest payable on Bonds raised by A.P. Power Finance Corporation- 450. Interest (Charged)" for Rs.47,55,012/- and (b) "6003. Internal Debt of State Government -MH. 109. Loans from other Institutions -SH. (13).Loans from A.P. Power Finance Corporation-560.repayment of Borrowings (Charged)" Rs.7,00,00,000/- during the financial year 2011-12.

7. The Assistant Secretary to Government, Energy Department shall draw and disburse the amount through a cheque obtained in favour of the Managing Director, A.P. Power Finance Corporation Limited, Hyderabad.

8. The Managing Director, A.P. Power Finance Corporation Limited, Hyderabad shall submit the bills against the due dates mentioned at para (5) above and also submit the utilization certificate for the said amount.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DINESH KUMAR,
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, A.P. Power Finance Corporation Limited, Hyderabad.
The Director of Treasuries & Accounts, Andhra Pradesh, Hyderabad for issue of authorization.
The Pay and Accounts Officer, Hyderabad.
The Dy. Pay and Accounts Officer, Secretariat Branch, Hyderabad.
The Energy (OP-claims) Department.
Copy to:
The Accountant General, A.P., Hyderabad.
The Finance (W&M) Department.
C.No.230/Pr.III(2)/2011.
SF/SCs.

//FORWARDED: BY ORDER//

SECTION OFFICER